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## Alaska Telephone Association

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Christine O'Connor  
Executive Director

July 20, 2016

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554

RE: Ex parte filing in WC Docket No. 10-90, WT Docket No. 10-208

Dear Ms. Dortch:

The Alaska Telephone Association (“ATA”) hereby submits the attached updated schedule of Alaska Plan support. As explained in more detail below, this schedule makes a minor adjustment to the allocation of support to better reflect the proposed rules for the Alaska Plan and includes clarified labels and formatting. The schedule does not propose any changes to the total amount of support for the Alaska Plan.

First, the schedule adjusts the amount of support that will be available to deploy mobile service to unserved areas of remote Alaska through a future reverse auction. The amount of support for remote unserved areas in years 3 through 10 of the Alaska Plan remains unchanged from the prior support schedule.<sup>1</sup> The amount of support in years 1 to 2 is adjusted to reflect the proposal that all competitive eligible telecommunications carriers (“CETCs”) in Alaska that do not participate in the Alaska Plan receive transition support in year 1 equal to two-thirds of their 2014 support and in year 2 equal to one-third of their 2014 support.<sup>2</sup> The previous schedule had not accounted for the need to provide transitional support to MTA Wireless, which is unlikely to participate in the Alaska Plan due to many of its Census blocks being ineligible for support under the Plan as proposed. As a result of the need to increase the CETC transition support in years 1 and 2, there is a corresponding decrease in the amount of support available for the remote unserved reverse auction in years 1 and 2. This is reflected in Schedules 2, 7 and 8 in the attachment.

Second, the schedule more clearly uses the terms “remote” and “non-remote” to refer to the support mechanisms, not Alaska geography. As proposed, the Alaska Plan would freeze the remote support of CETCs that are eligible to participate in the Alaska Plan and exercise their option to do so.

“Remote support” here refers to high-cost support to CETCs subject to the delayed phase down for remote areas in Alaska, as described in 47 C.F.R. § 54.307(e)(3)(ii). The Alaska Plan would phase out the non-remote support of CETCs (and the remote support of CETCs that are eligible but choose

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<sup>1</sup> See Alaska Infrastructure Fund Universal Service Support Schedules, Schedule 2, *attached to* Letter from Christine O'Connor, Executive Director, Alaska Telephone Association, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed May 9, 2016).

<sup>2</sup> See Alaska Plan Proposed Rule Amendments as of June 16, 2016, at 18 (proposed rule 47 C.F.R. § 54.317(g)(1)-(3), providing transitional support to CETCs “other than Remote Alaska Mobile Infrastructure Plan Participants”), *attached to* Letter from Christine O'Connor, Executive Director, Alaska Telephone Association, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed June 16, 2016).

not to participate). “Non-remote support” in this context refers to CETC support to an Alaska CETC that was not eligible for the delayed phase down for remote Alaska, and therefore had its CETC support phased down on the same schedule as applied to CETCs in the Lower 48.

The distinction between “remote support” and “non-remote support” is therefore not a distinction based solely on geography. One Alaska CETC provides service in remote areas of Alaska (as those areas are defined in 47 C.F.R. § 54.307(e)(3)(i)) but receives “non-remote support” in those areas—AT&T/Dobson. The delayed phase-down for remote Alaska was only available to a CETC “to the extent that it serves remote areas in Alaska, *and it certified that it served covered locations in its September 30, 2011, filing of line counts.*”<sup>3</sup> While AT&T/Dobson serves “remote areas in Alaska,” it was unable to make the certification that it served “covered locations.” The reasons for this go back a decade and are unrelated to the Alaska Plan.

In the mid-2000s, the Commission became increasingly concerned about high levels of support disbursed to CETCs under the former identical support rule. In 2007, AT&T filed applications with the Commission to acquire Dobson Communications Corporation (“Dobson”). As a condition of the approval of the transaction, AT&T agreed to an interim cap on its CETC support nationally.<sup>4</sup> The next year, the Commission adopted an industry-wide interim cap on CETC support.<sup>5</sup> The Commission created an exception to this cap, allowing CETCs that serve Tribal lands or Alaska Native regions to continue to receive uncapped support for lines in those locations, which the Commission labeled “Covered Locations.”<sup>6</sup> AT&T/Dobson did not take advantage of the Covered Locations exception.<sup>7</sup>

In the 2011 *USF/ICC Transformation Order*, the Commission built on this existing structure. The Commission eliminated the identical support rule providing high-cost support to CETCs and created a five-year transition period for phasing out support. For CETCs serving Covered Locations in remote Alaska, however, the Commission delayed the start of the five-year transition period for two years.<sup>8</sup> Specifically, the Commission permitted the delayed phase down for a CETC “to the extent that it serves remote areas in Alaska, and it certified that it is served covered locations in its September 30, 2011, filing of line counts with the Administrator.”<sup>9</sup> AT&T/Dobson had not previously taken advantage of the Covered Locations exception, and therefore could not make the certification required for the delayed phase-down for remote areas of Alaska. As AT&T/Dobson

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<sup>3</sup> 47 C.F.R. § 54.307(e)(3)(ii) (emphasis added).

<sup>4</sup> See *Applications of AT&T Inc. and Dobson Communications Corp.*, FCC 07-196, Memorandum Opinion and Order, 22 FCC Rcd. 20,295, 20,329-30 ¶¶ 71-72 (2007).

<sup>5</sup> See *High-Cost Universal Service Support et al.*, FCC 08-122, Order, 23 FCC Rcd. 8834, 8834 ¶ 1 (2008).

<sup>6</sup> *Id.* ¶ 32.

<sup>7</sup> “There is only one carrier that serves portions of remote areas of Alaska but did not take advantage of the Covered Locations exception: the competitive ETC Dobson Communications, which was acquired by AT&T . . . .” *Connect America Fund et al.*, FCC 12-52, Third Order on Reconsideration, 27 FCC Rcd. 5622, 5634 ¶ 32 (2012) (“*Third Order on Reconsideration*”).

<sup>8</sup> See *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd. 17,663, 17,835 ¶ 529 (2011) (*USF/ICC Transformation Order*), *aff’d sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

<sup>9</sup> 47 C.F.R. § 54.307(e)(3)(ii) (as adopted in the *USF/ICC Transformation Order*).

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could not make the certification, its support for serving remote Alaska is treated just like its support for serving non-remote Alaska. Consistent with this approach, ATA's support schedule refers to "non-remote" support as CETC support subject to the default, national phase-down, even when the support is used in remote areas of Alaska.

\* \* \* \* \*

If you have any further questions regarding the revised support schedule or the operation of the Alaska Plan as proposed, please do not hesitate to contact me.

Respectfully submitted,

*Via ECFS 7/20/2016*

Christine O'Connor  
Executive Director

Attach.

cc: Jim Schlichting  
Peter Trachtenberg

# Alaska Infrastructure Fund Universal Service Support Schedules

## Summary Schedules

### Schedule 1

#### High-Cost Disbursements in Alaska in 2015 (for rate-of-return ILECs) and 2014 (CETCs)

Rate-of-Return ILECs (2015 levels)	45,893,141
Adak Telephone Utility (2015 levels annualized post-order)	617,678
Remote Support to CETCs (2014 levels)	77,844,072
Windy City Cellular (2015 levels annualized post-order)	132,900
Non-remote Support to CETCs (2014 levels)	27,350,796

<b>Total Annual Amount of Frozen Alaska Plan Support</b>	<b>\$151,838,587</b>
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### Schedule 2

#### High-Cost Disbursements Pursuant to Alaska Plan

	Year 1	Year 2	Years 3-10
Rate-of-Return ILECs (2011 levels as shown in Schedule 3)	55,124,882	55,124,882	55,124,882
Adak Telephone Utility (no change)	617,678	617,678	617,678
Remote Support to CETCs (2014 as shown in Schedule 4)	73,804,608	73,804,608	73,804,608
Windy City Cellular (no change)	132,900	132,900	132,900
Transition support to CETCs not participating in Alaska Plan (Schedule 7)	20,926,840	10,463,420	-
Wireless unserved auction funds (as shown in Schedule 8)*	1,231,679	11,695,099	22,158,519

<b>Total Annual Amount of Frozen Alaska Plan Support</b>	<b>\$151,838,587</b>	<b>\$151,838,587</b>	<b>\$151,838,587</b>
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\*Total amount available for reverse auction for wireless unserved over 10 years = \$190,194,928

## Detail Schedules

### Schedule 3

#### ILEC ETC Support To Be Distributed per Alaska Plan

	SAC	2011 ICLS	2011 HCLS	2011 Total Disbursed	2012 Corp Ops Limit	\$250 Cap Limit	Adjusted 2011 ILEC Support
Alaska Telephone Company	613017	1,631,148	762,552	2,393,700	-		2,393,700
Arctic Slope Telephone Association Cooperative	613001	1,648,254	1,470,240	3,118,494	24,831		3,093,663
Bettles	613002	23,748	192	23,940			23,940
Bristol Bay Telephone Cooperative, Inc	613003	447,072	641,832	1,088,904	5,343		1,083,561
Bush-Tell, Inc.	613004	314,388	404,010	718,398	-		718,398
Circle	613005	25,386	15,168	40,554			40,554
Copper Valley Telephone Cooperative, Inc.	613006	2,943,522	7,992,186	10,935,708	187,722		10,747,986
Cordova Telephone Cooperative	613007	957,342	1,407,732	2,365,074	69,000		2,296,074
Interior Telephone Company, Inc.	613011	2,057,010	1,940,988	3,997,998	30,618		3,967,380
Ketchikan Public Utilities	613013	2,092,770	2,230,608	4,323,378	6,139		4,317,239
Matanuska Telephone Association	613015	8,423,004	9,191,016	17,614,020	559,355		17,054,665
Mukluk Telephone Company, Inc.	613016	823,596	555,318	1,378,914	10,194		1,368,720
North Country Tel	613026	49,626	33,801	83,427	-		83,427
Nushagak Electric & Telephone Cooperative, Inc.	613018	637,692	942,564	1,580,256	4,180		1,576,076
OTZ Telephone Cooperative, Inc	613019	1,022,778	1,085,262	2,108,040	58,392		2,049,648
Summit Telephone Company	613028	335,820	570,804	906,624	-	154,013	752,611
United Utilities	613023	2,251,032	1,137,207	3,388,239	42,784		3,345,455
Yukon Telephone Company, Inc.	613025	171,048	40,737	211,785	-		211,785
<b>Total ILEC Support</b>							<b>\$55,124,882</b>

## Alaska Infrastructure Fund Universal Service Support Schedules

### Schedule 4

#### Remote CETC Support To Be Distributed per Alaska Plan\*

	SAC	2014 ICLS	2014 HCLS	LSS	SNA	2014 Total
ASTAC Wireless, LLC	619010	410,580	254,292	248,472		913,344
Bristol Bay Cellular Partnership	619008	688,272	790,572	418,872		1,897,716
Copper Valley Wireless, Inc.	619006	2,523,696	5,420,028	576,900	115,452	8,636,076
Cordova Wireless Communications, Inc.	619007	1,284,264	1,839,564	602,544	36,048	3,762,420
OTZ Telecommunications, Inc.	619011	801,972	800,988	802,236	46,860	2,452,056
TelAlaska Cellular	619013	321,564	227,796	284,508		833,868
GCI Communication Corp.	619014	15,269,016	11,448,624	6,823,992	138,036	33,679,668
GCI Communication Corp. - CL	619001	2,920,824	2,449,668	799,776	57,132	6,227,400
Alaska Communications Systems Holding, Inc. - CL	619005	7,610,856	6,527,136	1,166,544	97,524	15,402,060
<b>Total Remote CETC Support</b>						<b>\$73,804,608</b>

\*Annualizes December 2014 Disbursements

### Schedule 5

#### Frozen Non-Remote Support to CETCs\*

	SAC	2014 FHCS
Dobson Cellular Systems, Inc. - AK-NR	989001	15,775,716
Alaska Digitel LLC -CL -AK-NR	989002	-
Unicom, Inc., -CL -AK-NR	989003	-
GCI Communications Corp. -CL -AK-NR	989004	4,891,680
Mantanuska-Kenai, Inc. -CL -AK-NR	989005	288,576
Alaska Communications System Holding, Inc. -CL -AK-NR	989006	3,982,848
GCI Communications Corp. -AK-NR	989007	2,411,976
<b>Total Frozen Non-Remote Support to CETCs</b>		<b>\$27,350,796</b>

\*Includes non-remote support to CETCs that provide service in remote areas but were not eligible for delayed phase-down for remote Alaska per 47 C.F.R. 54.307(e)(3)(ii)

### Schedule 6

#### Change in ILEC ICLS/HCLS Support 2011 - 2015

	SAC	Adjusted 2011 ILEC Support	2015 Total Disbursed ICLS/HCLS	Decrease 2011-2015
Alaska Telephone Company	613017	2,393,700	1,309,082	(1,084,618)
Arctic Slope Telephone Association Cooperative	613001	3,093,663	2,928,822	(164,841)
Bettles	613002	23,940	25,506	1,566
Bristol Bay Telephone Cooperative, Inc	613003	1,083,561	1,056,835	(26,726)
Bush-Tell, Inc.	613004	718,398	493,712	(224,686)
Circle	613005	40,554	34,229	(6,325)
Copper Valley Telephone Cooperative, Inc.	613006	10,747,986	10,653,695	(94,291)
Cordova Telephone Cooperative	613007	2,296,074	2,833,440	537,366
Interior Telephone Company, Inc.	613011	3,967,380	2,585,552	(1,381,828)
Ketchikan Public Utilities	613013	4,317,239	4,280,577	(36,662)
Matanuska Telephone Association	613015	17,054,665	9,514,169	(7,540,496)
Mukluk Telephone Company, Inc.	613016	1,368,720	1,041,952	(326,768)
North Country Tel	613026	83,427	72,761	(10,666)
Nushagak Electric & Telephone Cooperative, Inc.	613018	1,576,076	1,135,857	(440,219)
OTZ Telephone Cooperative, Inc	613019	2,049,648	2,103,960	54,312
Summit Telephone Company	613028	752,611	729,496	(23,115)
United Utilities	613023	3,345,455	4,970,700	1,625,245
Yukon Telephone Company, Inc.	613025	211,785	122,796	(88,989)
<b>Total ILEC Decrease 2011-2015</b>		<b>\$ 55,124,882</b>	<b>\$ 45,893,141</b>	<b>-\$9,231,741</b>

## Alaska Infrastructure Fund Universal Service Support Schedules

### Schedule 7

#### Transition Support to CETCs Not Participating in Alaska Plan

Non-Remote Support to CETCs in 2014 (Schedule 5)

Remote CETC Support to Matnaska-Kenai, Inc. in 2014\*

2014 level	Year 1 (2/3 of 2014 level)	Year 2 (1/3 of 2014 level)	Years 3-10
27,350,796	18,233,864	9,116,932	-
4,039,464	2,692,976	1,346,488	-
	<b>\$20,926,840</b>	<b>\$10,463,420</b>	<b>\$0</b>

\*Remote support to Matanuska-Kenai included in transition as carrier unlikely to participate in Alaska Plan due to LTE overlap

### Schedule 8

#### Wireless Unserved Fund

Non-Remote Support to CETCs (Schedule 5)

Remote CETC Support to Matanuska-Kenai, Inc.\*

Change in ILEC Support 2011-2015 ILEC (Schedule 6)

CETC Transition Support (Schedule 7)

Year 1 (2/3 of 2014 level)	Year 2 (1/3 of 2014 level)	Years 3-10	Total over 10 years
27,350,796	27,350,796	27,350,796	
4,039,464	4,039,464	4,039,464	
(9,231,741)	(9,231,741)	(9,231,741)	
(20,926,840)	(10,463,420)	-	
<b>\$1,231,679</b>	<b>\$11,695,099</b>	<b>\$22,158,519</b>	<b>\$190,194,928</b>

**Amount Re-targeted to Remote Unserved Areas**  
 \*Remote support to Matanuska-Kenai included in Wireless Unserved Fund as carrier unlikely to participate in Alaska Plan due to LTE overlap

#### WT Docket No. 10-208

Adak Telephone Utility

Windy City Cellular\*

SAC	ICLS	HCLS	LSS	2012 Corp Ops Limit	\$250 Cap Limit	Total
610989	927,528	1,191,737		338,887	1,162,700	617,678
619012	41,916	67,140	23,844			132,900
						<b>\$750,578</b>

#### Total Disbursed per WT Docket No. 10-208

\*Annualize March 2015 Disbursements to estimate support level resulting from WT Docket No. 10-208

#### Matanuska-Kenai Remote CETC Support

SAC	2014 ICLS	2014 HCLS	LSS	SNA	2014 Total
619003	2,040,252	1,849,365	149,847	-	<b>\$4,039,464</b>